

CITY OF MILWAUKIE
BUDGET COMMITTEE MEETING
April 30, 2018

Members Present: Shane Abma, Lisa Batey, Jesse Boumann, Milo Denham, Angel Falconer, Mark Gamba, Wilda Parks and Jon Stoll

Excused: Michael Osborne and Ronn Palmer

Staff Present: Bonnie Dennis, Haley Fish and Ann Ober

The meeting was called to order at 5:30 pm.

Committee introductions were done.

Approval of prior meeting minutes

Mr. Denham had a correction to the March 19, 2018 minutes first paragraph under the section titled, review of financial results for the period ended February 28, 2018 and discussion. A document was handed out to the Committee members of replacement wording for the first paragraph. The Committee discussed the proposed change.

Ms. Fish will reword the paragraph noted to more accurately reflect the video discussion.

It was moved by Mayor Gamba and seconded by Chair Stoll to delay approval of the March 19, 2018 meeting minute. Motion passed; seven yeses and one no.

Election of Officers – Chair & Vice-Chair

Chair Stoll called for election of a Committee Chair.

Ms. Parks made a motion to appoint Mr. Stoll as Chair of the Budget Committee. Mr. Denham seconded the motion. Motion passed unanimously.

Ms. Fish asked the Committee if a Vice-Chair could be elected to run meetings in the absence of the Chair.

Mayor Gamba made a motion to appoint Ms. Batey as Vice-Chair of the Budget Committee. Ms. Parks seconded the motion. Motion pass unanimously.

Standard Operating Procedures for Budget Deliberation

Ms. Fish presented to the Committee proposed standard operating procedures for budget deliberations. A recommendation was proposed to adjourn meetings by 8:00 pm.

The Committee discussed time and decided less meetings that went longer than 8:00 pm would be acceptable.

Ms. Fish stated to get through all the presentations, if a topic is generating robust discussion it will be added to a "parking lot" list that will be revisited at the end of the night if time allows and/or a future meeting. When additional information is requested, during the meeting a list of those items will be maintained by staff; the Committee will vote on each request with a majority required to trigger production of information that is not readily available. All inquiries will be directed to Ms. Ober and Ms. Fish and they will coordinate with departments as needed.

Mr. Denham requested the Committee be copied on the email to Ms. Ober and Ms. Fish.

Ms. Ober clarified that Committee members cannot respond with a follow-up email to the individual asking the question since that would begin an issue of a quorum.

Ms. Fish added the questions will be compiled in one email and responses will be sent to the Committee on the Friday before the next meeting.

Chair Stoll asked if questions for this week can be sent by this Friday.

Ms. Ober responded if the questions are emailed on Friday, responses will be distributed at the Monday, May 7th meeting. If questions are received by Wednesday, they will try to respond by Friday.

The Committee did not add any ground rules.

City Manager's Budget Message

Ms. Ober delivered her budget message to the Committee; the full message is on page one of the budget document. She expressed gratitude to everyone involved in this budget process.

Overview of BN 2019-2020 Proposed Budget Document

Ms. Fish highlighted some of the budget sections. The agendas are posted for the next two meetings and the budget document layout correlates to the agendas. There is an updated organizational chart. The budget was prioritized using the Council goals. The financial policies have some proposed changes, which she highlighted for the Committee; if members have additional changes, she encouraged their feedback. These policies will be readopted with the budget. The financial trends show how categories have shifted due to the high fund balance, due to debt issuance.

Mayor Gamba noted that the median household income on the demographics page is \$74K.

Ms. Fish stated the number will be checked.

Mr. Abma asked if the term is CIP or CPI in the financial trends.

Ms. Fish responded they all should be CPI. She continued highlighting some of the charts in the financial trends section.

Mr. Abma asked if the Tigard and Lake Oswego number on the graph for comparisons to other cities on the debt overview page, reflects their water infrastructure dam project.

Ms. Fish responded yes. She is not sure what is represented by the number for Tigard; she will verify the number, it might be urban renewal.

Mr. Abma asked if cities could put matching funds against their PERS obligations.

Ms. Fish responded that in 2005/2006 Milwaukie did open a side account for this purpose. There is a big push currently to do side accounts.

Chair Stoll stated that further research on the PERS side accounts should be done.

Ms. Fish then reviewed the transfers and personnel overview sections.

Ms. Ober clarified the Library personnel decrease of 1.75 is due to efficiencies gained from the relocation; if it is determined those positions need to be replaced a supplemental budget will be done.

Ms. Fish stated the budget detail will be discussed at the next two meetings. The CIP document correlates to what is in the budget and the forecast; she noted the department

summaries within the CIP. The five-year forecast includes the urban renewal fund but the budget does not, since it has a separate budget. The appendices contain the investment policy and resolution drafts.

Mr. Denham asked for clarification if the actual 2017 budgeted FTEs are actual FTE counts.

Ms. Fish responded the FTEs are all budgeted FTE numbers from historical budgets; these were not adjusted for vacancies.

Mr. Denham asked for an Excel file of the budget.

Ms. Fish responded that the file has multiple sources and is quite large. It would take extra work to prepare the request.

Ms. Ober added that this would be a good parking lot item.

Mr. Boumann asked about the city attorney hiring process.

Ms. Ober stated the hiring process has closed and there are several candidates; interviews will be May 15th with the hopes of having someone on board July 1st.

Mr. Boumann asked if the photo radar program has been terminated.

Ms. Ober replied yes; with multiple job posts they were unable to fill the position. The city has not determined if all photo radar activity will be discontinued. The topic will be brought to City Council to discuss options.

Mr. Denham asked if the December 31, 2017 financials are posted to the City website.

Ms. Fish responded the February 28, 2018 report that was presented at the March meeting is posted to the website.

Mr. Denham made a motion with a prepared statement requesting a December 31, 2017 quarterly report, to have established dates of when the quarterly report is produced and distributed and have established meeting dates.

Mayor Gamba seconded the motion for purpose of discussion.

Committee member discussion ensued.

Mr. Denham stated he would table the motion.

Ms. Ober summarized the discussion of the group noting that staff would draft updated language for the financial policy which will include report dates, timeframe for generating the reports; an email will be sent requesting possible meeting dates; we are not going back, only looking forward.

Mr. Abma supports going back and producing a December 31, 2017 report.

Mr. Denham made a motion for staff to provide the December 31, 2017 report within three months of tonight's meeting. Mr. Abma seconded the motion. Motion failed; two yes and six no.

Chair Stoll asked about the new Engineering FTEs in the transfers section, 90% of the costs will be picked up by other departments.

Mayor Gamba stated in years past the Budget Committee would go through the CIP and vote on it; that is why it was not included in the prior budgets.

Ms. Fish responded the CIP is adopted with the budget document.

Review Quarterly Financial Status Report for the Period Ending March 31, 2018

Ms. Fish distributed the report to Committee members. If there are questions, she encouraged members to email her with those items.

Ms. Fish distributed the Milwaukie Redevelopment Commission (MRC) budget. The hearing on the MRC budget is scheduled to take place May 14, 2018 prior to the regular Budget Committee meeting.

Ms. Fish distributed a community budget ask that is not included in the proposed budget.

Ms. Ober added that she had two verbal asks; she encouraged the people asking for funds to attend an upcoming meeting. Both asks are not tied to a City Council goal.

Committee member discussion of participatory budgeting for one-time asks by community organizations / members ensued.

Mr. Abma asked if there is a process that must be done to replace Mr. Palmer on the Committee.

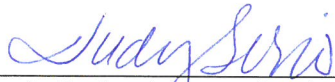
Ms. Fish will consult with the City Recorder on what must be done.

The next scheduled meeting is May 7, 2018, 5:30 pm, Milwaukie City Council Chambers.

Adjourn

It was moved by Mr. Denham and seconded by Mr. Abma to adjourn the Budget Committee meeting at 7:27 p.m.

Respectfully submitted,



Judy Serio, Accountant